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It's mortgage broking, but not as we know it

BETH MUHLING

Homebuyers can find a home loan easily and possibly save thousands of dollars through a relative newcomer to the finance market, BidMyLoan.

The free service involves a 10-minute online application process, after which an application is sent to multiple lenders who can then make an offer to lend the money.

The applicant's identity isn't disclosed to the lenders. Within 48 hours, the applicant should receive emailed bids from a range of lenders, including Westpac and Citibank.

Site founder Declan Murphy said once the best loan was found, applicants would receive the lender's contact details via email plus application forms containing the information they had already supplied.

After that point the process returned to the traditional credit check and property valuation scenario and the borrower dealt directly with the lender.

Mr Murphy said the website had been running for about a year but had been promoted more widely recently. All common loan types, including standard loans, low-doc loans, fixed interest rate loans and variable rate loans, are offered.

Applicants are not obliged to take up any of the loan offers.

Mr Murphy, a chartered accountant who has had senior roles in financial organisations, said the



Using www.bidmyloan.com.au could enable you to find the best loan deal.

system had advantages over those provided by brokers. For example, no trailing fees, paid by the lender to the broker throughout the life of the loan, were charged.

He said applicants could also negotiate rates with lenders through an online messaging system.

"On a \$450,000 home loan, this could result in a \$100,000-plus saving on a standard rate over 30 years," he said.

Adrian Clarke, of Redcliffe, refinanced a home loan through the website. He said he saved 1.5 per cent on the best offer he could find previously, meaning he'd save \$5250 a year or a total of \$157,500 on his 30-year loan.

Mr Murphy said BidMyLoan was committed to responsible lending.

All the lenders had been screened to make sure they were members of bodies such as the Mortgage and Finance Association of Australia or were otherwise established lenders.

The panel included well-recognised brands as well as several lenders not available through brokers and several non-conforming lenders.

"We wanted to get a lending panel that covered 100 per cent of scenarios," he said.

He said when comparing rates, the system used was more accurate than the comparison rates provided by different lenders.

"They've all got their own rules and they're not always comparing apples with apples," he said. "With BidMyLoan you get your exact loan amount calculated over your exact period."

He said calculators provided allowed borrowers to compare loans in different scenarios and "loan chaperones" were available by phone to help buyers through the process.

For more information, go to the website or phone 1300 243 695.